

CONNECTICUT INNER CITY 10
2002 AWARDS March 14, 2002





JOHN G. ROWLAND
GOVERNOR

STATE OF CONNECTICUT
EXECUTIVE CHAMBERS
HARTFORD, CONNECTICUT 06106



March 14, 2002

Dear Friends:

On behalf of the State of Connecticut, and the Department of Economic & Community Development, along with the Initiative for a Competitive Inner City (ICIC), it is a pleasure to extend congratulations to the winners of the prestigious Connecticut Inner City 10 Entrepreneurship Award for 2002.

One of the major components of the Connecticut Inner City Business Strategy is the creation of the Connecticut Inner City 10 award initiative. The purpose of the award is to identify and celebrate ten of the fastest growing inner city companies. In doing so, we are excited to have Connecticut's winners automatically entered as candidates for the ICIC/**Inc. Magazine's** Inner City 100 national contest in April 2002.

Once again, congratulations, and please know that you have my best wishes for continued success in the national competition.

Sincerely,

A handwritten signature in blue ink that reads "John G. Rowland".

JOHN G. ROWLAND
Governor

2002 CONNECTICUT INNER CITY 10 ENTREPRENEURSHIP AWARDS

The Connecticut Inner City 10 Entrepreneurship Awards are an important part of the statewide Inner City Business Strategy. The fundamental purpose of these awards is to celebrate 10 of the fastest growing inner city companies in Connecticut.

The winners are Connecticut's top candidates to the ICIC/Inc. Magazine "Inner City 100" national competition in April 2002. ICIC, the Initiative for a Competitive Inner City, is a nationally prominent non-profit organization dedicated to revitalizing America's inner cities.

Governor John G. Rowland launched the Connecticut Inner City 10 program in September 2000. This year Lt. Governor Jodi Rell will present the awards to recipients on March 14, 2002 during a ceremony held at the Legislative Office Building, Hartford. Out of a pool of fifty-one nominated businesses, thirty-four companies met the criteria as qualified candidates to the program. The ten companies with the highest five-year compounded growth rate were selected.

Methodology: Applicants were ranked based on the percentage of increase in the company's gross revenues between 1996 and 2000. Based upon an extensive review by PricewaterhouseCoopers, one of the of the country's leading accounting firms, ICIC and the State of Connecticut's top candidates automatically go on to compete in the ICIC/Inc. Magazine Inner City 100 national contest in April 2002.

To qualify for the Connecticut Inner City 10 Entrepreneurship Award, companies had to provide detailed financial documentation, along with meeting the following criteria:

- * A private, for profit corporation, partnership or proprietorship (not a subsidiary, regulated bank, utility or holding company)
- * Company headquarters must be located in the inner city (an economically distressed urban area) or have 51% or more of their physical operation in Connecticut inner city areas.
- * Employed 10 or more full-time employees at the end of 2000
- * A five-year operation sales history that includes sales revenue from 1996 of least \$75,000, an increase in 2000 sales over 1999, and sales of at least \$1 million in 2000.

Last April, six Connecticut companies were identified as national winners in the ICIC/Inc. Magazine Inner City 100 contest, which showcased the fastest growing, companies from inner cities across America. Connecticut is the first state in the country to participate in the ICIC/Inc. Magazine Inner City 100 contest on a statewide basis.

GRT Corporation

Stamford (Ranked #1)

CEO: Gene Shklover

2000 Revenues: \$6,601,393.

Compounded Annual Growth: 130.57%



Merging the dreams of two Russian immigrants to become successful professionals in America has turned into the reality of one successful company. Gene Shklover and Viktor Litvinov came to this country as IT consultants who enjoyed interacting with U.S. companies. After individually establishing more contacts, they soon realized that they each had more work than they could handle. So they merged efforts, hired help, and before they knew it, they had a company.

With Fortune 500 clients like GE Capital and Verizon, GRT Corporation has established itself as an expert at managing data flow for corporate-America companies – from giants to mid-size and small firms. “It all starts with an assessment of the client,” says Shklover and Litvinov. “We identify what are their business needs and initiatives, and what needs to be developed.”

The Russian executives say that their employees are the company’s unique advantage and greatest asset. Maintaining quality of service and the commitment to employees is important to GRT management, and “as employees are empowered, they produce results that are unexpected,” says Shklover. “These results are both exciting and amazing, and the generated momentum opens a world of opportunity that is unthinkable,” says Litvinov.

What also surprises these Russians is how quickly GRT employees with such diverse backgrounds integrate and get acclimated. Because of their diversity, employees are offered on-going training in order to help maintain high-quality business relationships. In addition to IT skills, GRT employees are trained in technical writing, business communication and presentation skills.

Building trust with clients is also very important to GRT, so being a member of organizations such as CBIA, Connecticut Venture Group and Connecticut Technology Council has helped GRT jumpstart relationships that will ultimately help the company further establish itself as an expert in the IT industry. “We’d like to be a boutique in the IT industry,” says Shklover



Chanler Lewis, Inc.

Waterbury (Ranked #2)

Thomas Officer, CEO

2000 Revenues: \$6,142,879

Compounded Annual Growth: 114.95%

A New Hampshire native, Thomas Officer began working in the millwork industry after graduating from Dartmouth and eventually became the general manager of a business, which he later found as Chanler Lewis. The company was established in 1995 with \$120,000 in start-up funds and Officer's recent experience of surviving an economic turnaround. Headquartered in Waterbury's Enterprise Zone, Chanler Lewis is now a successful manufacturer of architectural millwork for residential homes, public buildings including schools and courthouses, commercial offices and retail stores including some large chains.



"Most businesses in the manufacturing industry are small shops that tend to focus on one market," says Officer. He thinks part of Chanler Lewis' advantage has been their diversification into the three main markets for their work. "Our size also helps us compete for large contracts that many of our smaller competitors cannot handle," he notes. He additionally cites excellent service and quality of product, which has allowed Chanler to depend only on word-of-mouth advertising.

A member of the Architectural Woodwork Association, as well as local and state trade organizations, Mr. Officer sits on the board of Conn Step, a manufacturing resource center in Connecticut, and was recently asked to be on the Governor's task force for the state's vocational technical schools.

Being located in an Enterprise Zone has allowed Chanler Lewis some tax breaks, and the



company has benefited from state job training programs. Meanwhile, their central in-state location has also aided their success with easy access to highways.

 **Chanler Lewis, Inc.**
Architectural Millwork & Store Fixtures

Horizon Staffing Services

East Hartford (Ranked #3)

CEO: Ahmed Ahsan

2000 Revenues: \$2,850,061.

Compounded Annual Growth: 97.93%

Ahmed Ahsan came to the United States from Bangladesh in 1987 to attend college. After graduating from Central Connecticut State University with a marketing degree, he worked for Connecticut Bank & Trust and dreamed of becoming a big banker. Soon after, he didn't see



the opportunities for future growth in the banking industry, but he chose to remain in the U.S. and pursue his own business, "even against my parents wishes," he admits. During the beginnings of a tight labor market in 1995, he recognized a huge potential in the staffing business and opened Horizon Staffing Services.

By 2001, Ahsan established a very successful company — in a very beneficial location. "Being located close to

Hartford provides convenience to the people we serve nearby, yet allows easy access and parking for commuters outside the central city," he says. Horizon Staffing also provides a van service to help employees get to their assignments, keeps in contact with them after they are placed, gives bonuses and offers continued opportunities to improve computer skills. Ahsan says his greatest joy is when people share with him their successes about a job in which he has placed them.

Ahsan networks and searches for potential clients as a member of the Connecticut and National Minority Supplier Development Councils, the American Staffing Association, NM Technology Council, the local chamber of commerce, the Better Business Bureau and CBIA. As an inner-city business owner, he has gained access to executive education programs and the Inner City 100 because of his memberships with such groups.



Horizon Management Services

Rego Realty Corporation

Hartford (Ranked #4)

Jose Reategui, President & CEO

2000 Revenues: \$1,463,7410

Compounded Annual Growth: 75.73%

A familiar face to the Connecticut Inner City 10 and the Inner City 100, Peruvian-native Jose Reategui came to the United States in 1990 with a purpose – to start a business. An entrepreneur at heart, he started several business ventures in Peru, however much of his savings were lost due to insufficient laws to protect entrepreneurs and investors. He found the business climate to be much friendlier here; it was easy for him to get a loan to start a business, convincing him to stay in Connecticut. Jose established Rego Realty, a property management company located in the south end of Hartford, in 1994.

The company has grown significantly, now employing three property managers and a maintenance crew of 32. All of Jose's properties are in Hartford and he invests a great deal into the buildings to improve their value and marketability. Some apartments have DSL line access and the service is included as part of the rent.

The recent economic downturn has had virtually no effect on Rego Realty. With a 95 percent occupancy rate, Jose says that as soon as he fixes up a building, he fills it immediately, "People always need a place to live," he said. His concerns now are managing his growth. His strategy thus far has been based on treating people with respect and forming and protecting relationships, with an overall philosophy of believing in, and loving what you do.



REGO REALTY CORP.

Salamander Designs, Ltd.

Hartford (Ranked #5)

Salvatore Carraba, CEO

2000 Revenues: \$4,975,455

Compounded Annual Growth: 66.54%

While in college, Sal Carraba developed a basic design for adjustable shelves to hold his stereo equipment using wood and threaded metal rods. He felt there was a void in the market for high-quality, ready-to-assemble furniture for stereo equipment and this design became the

model for Hartford-based Salamander Designs' first line of products, the "Archetype."

Because of the quality and modular designs of the products, Salamander — dubbed after Sal's childhood nickname — started getting attention in industry publications. This allowed them to make more direct sales with a higher profit margin, giving them funds to start advertising and building their brand. Sal did not take a salary for the first four years in business,

working another job to support himself. He used independent sales reps to sell the products to nearly 350 dealers and stereo equipment stores, including Cambridge Soundworks, Tweeter.

Furniture has a high profit margin, so the idea of selling this furniture in electronics stores, a field with lower profit margins, was attractive to dealers. This also made for convenient cross selling. Customers, which are already specific to Salamander's target audience, are shown furniture that can be customized to fit their new electronics all in one store.

Many of Sal's employees move into his inner-city neighborhood because he provides an attractive work environment and allows the employees a great deal of autonomy, giving them a better sense of ownership of their particular task. Sal hires primarily through employee referrals, offering \$500 for successful hiring. He also works with Goodwill and the Connecticut Institute for the Blind to out-source simple labor, such as pre-assembling small parts, which helps expedite his in-house process and provide work for disadvantaged people.



Salamander
designs ltd.

Horizon Services Corporation

East Hartford (Ranked #6)

Ted Hsu, CEO

2000 Revenues: \$2,981,481

Compounded Annual Growth: 55.51%

Ted Hsu always aspired to start his own business. While still a student at University of Connecticut, Hsu founded Horizon Services in 1991, out of circumstances that practically “fell into my lap,” he recalls. It was a time of recession and high unemployment – tough times in the job market for a graduate, but good for a kid with nothing to lose to take a chance. Because of a head start with pre-existing equipment, Hsu needed little in the way of start-up capital and made approximately \$10,000 a year while the company got off the ground the first few years.



The company experienced strong growth after its move east of the Connecticut River in 1995. Specializing in complete facility and janitorial maintenance, and supply for large construction companies and commercial businesses, Horizon is now located in East Hartford. “Being in a central, inner-city location allows access to a large available workforce and allows for easy travel to surrounding cities and states,” says Hsu. With 40 full-time employees and more than 100 part-time employees, Horizon Services also provides landscaping services and delivers sanitary, industrial supplies and copy paper.

Hsu is a member of the National and Connecticut Minority Supplier Development Councils. Horizon Services is an 8A certified company with the SBA and has begun working with other similar companies through bundled contracts. He has also started taking on joint-contract projects with other HUB Zone businesses and sees this as a trend for Horizon’s future. Always looking for new markets to pursue, Hsu is confident in his business and its ability to succeed even in a difficult economy.



VA Construction Company, LLC

Waterbury (Ranked #7)

Vernon Austin, Chairman & CEO, Vincent Austin, President & CFO

2000 Revenues: \$4,934,933

Compounded Annual Growth: 49.81%

Vernon Austin, founder of VA Construction, started off working as a contractor, initially with small projects, such as decks and porches, slowly building his repertoire and staff over time. The business grew naturally, acquiring more business through competitive bidding and word-of-mouth from those recognizing the quality of his work. Eventually, Vincent, Vernon's identical twin relocated from the Midwest, where he had been working as a comptroller for a steel manufacturing company, which ended up developing into a \$3 billion enterprise prior to his departure. Upon Vincent's return he began working side by side with his brother managing and developing the business side of this fast growing construction business his brother had been so successfully running.



VA is not only located in the inner city, but their compound is planted firmly in the heart of Waterbury and the majority of their work is concentrated in inner-city areas around the state. "Many people don't want to work in the inner city," said Vincent, "we specialize in it." Most of the work is publicly subsidized housing projects, such as the Bridgeport Housing Development in which they are currently working to replace the old housing projects with single-family, three to four bedroom housing units.

They use independent contractors for much of their work, but the contractors rely on VA for 90 percent of their business, and, since they know the quality of work their getting, the contractors can offer their services at a lower rate.

Vernon and Vincent, were featured on the cover of the May 2000 issue of *Inc. Magazine* for the *Inner City 100*, say "that was one of the greatest things that ever happened to us"—they proudly display the cover and article on their wall.



ArchivesOne

Watertown (Ranked #8)

A.J. Wasserstein, President & CEO

2000 Revenues: \$6,390,491

Compounded Annual Growth: 45.31%

A.J. Wasserstein founded ArchivesOne, a records storage and management company, in 1991 after graduating from business school. He chose the business not because of any passion for the work, but simply because of "the great economic characteristics," including high profit margins and predictable revenue streams. He received \$5,000 in start-up capital ("all you really need is some empty space," he says) and set out to make some profits, with his first client being AARP. He believes the key was "living up to what we told people we would do."



In 1998, ArchivesOne received institutional capital from Boston. Since then, Wasserstein has worked to fill in his management team as he shifts from a small entrepreneurial company to a more corporate structure where he is personally less directly involved in the details of operating the business. His philosophy is "the best thing a company like mine can do is be virtually invisible to the client." At ArchivesOne, systems and procedures work so well that its not noticed through the execution of customer service, core service and operations.

A member of his local chamber of commerce and various professional associations within the industry, Wasserstein says the private equity capital group he works with has been his best network, a great source of information and advertisement. Internally, he describes his management style as "brutally fair" and consistent with no short cuts. He hires a combination of inner-city residents and others, and most of his storage facilities are staffed primarily by local residents. With 100 employees, ArchivesOne has had a strong retention of employees with zero turnover among top management in the last two years.

ArchivesOne was ranked nationally among the Inner City 100 in 1999 and 2000.



Q-Tran, Inc.

Bridgeport (Ranked #9)

John Tremaine, CEO

2000 Revenues: \$1,898,000

Compounded Annual Growth: 43.31 %



It seems only natural that John Tremaine, a third-generation entrepreneur, began his career as a lighting designer. His great-grandfather owned a light bulb manufacturing facility shortly after the electric filament bulb was invented and formed an institute to conduct research and develop new products to compete with Thomas Edison – it was later bought by Edison and is now home to GE's main R&D park.

In 1985, John started his own company and showroom in Norwalk called Primo. In his work he discovered the increased efficiency of low voltage lighting, which provides better quality light and longer life. These lights, however, were considered more dangerous, and switches and dimmers greatly decreased their quality because their energy sources were inefficient. John began developing a transformer that would

work better with these lights and came up with his toroid transformer, and that was the beginning of Q-Tran, initially located in the basement of Primo's showroom.

He received venture capital from an initial set of investors and moved into an old factory in Bridgeport. John refers to Q-Tran, which designs and manufactures patented low-voltage lighting transformers, as "a dream come true." John says his workforce has proven to be a great asset in his location. "One of the most responsible things a company can do is make a profit and pass it on to employees for the future," he remarked. He stresses mutual respect and says that all of his employees are hard working.

His toroids are now used in robotics, high-end audio equipment and of course, lighting. Q-Tran was recently rewarded a contract from Tech Lighting in Chicago which John expects will grow the business by 30 percent alone.



ENLIGHTENED THINKING®

Innovative Display & Design Inc.

Bridgeport (Ranked #10)

Eugene Shapiro, CEO

2000 Revenues: \$12,760,268

Compounded Annual Growth: 39.76%

Innovative Display and Design's leadership is a three-person partnership between Eugene Shapiro, Andy Pandiani and Donna Shea. College friends from the University of Bridgeport where they studied industrial design, they say the secret to working together successfully is dividing up responsibilities into marketing, operations and technology/finance and each managing one of these.



Founded in 1986, Innovative Display and Design custom designs, builds, manages and warehouses trade-show exhibits worldwide.

Innovative manages all aspects of the tradeshow for their clients, from designing a display that captures the company's core message, to building it, shipping it and assembling it at trade shows. "We see our service as helping clients develop a sophisticated marketing tool," say Shea, who manages sales and marketing.

The company is located in Bridgeport's Innovative Center, a converted, dilapidated warehouse in the inner city, business incubator district. With 75 full-time employees, their strategy is to remain focused on current customer satisfaction and new business development. Innovative's primary markets are the Northeast, West Coast, greater Atlanta and Washington D.C.



GOVERNOR'S COUNCIL ON ECONOMIC COMPETITIVENESS AND TECHNOLOGY

The Governor's Council on Economic Competitiveness and Technology has been established to shape and oversee the successful implementation of the State's industry cluster economic development strategy. The purpose is to help Connecticut gain a competitive advantage in the global marketplace by bringing about new levels of innovation and productivity. This is being accomplished by nurturing and leveraging the strengths of our businesses and residents, and by removing constraints that limit their competitive potential.

The Connecticut Inner City Business Strategy is one of the Council's most important initiatives. The fundamental objective is to bring about inner city revitalization through business development, and to increase the income, wealth and job opportunities of the residents there. Governor Rowland and the Department of Economic and Community Development have committed \$5 million to support this initiative. The Connecticut Inner City 10 is a unique program to identify and celebrate successful businesses already operating in the inner city.

Co-Chairman

John G. Rowland
Governor

James C. Smith
Chairman & CEO
Webster Bank

Vice Chairman

Marc C. Breslawsky
President & CEO
Pitney Bowes

Constance F. Galley
Board of Directors
Mercator

Michael G. Morris
Chairman, President & CEO
Northeast Utilities Service Company

Robert E. Patricelli
Chairman & CEO
Women's Health USA, Inc.

Carol P. Wallace
President & CEO
Cooper Instrument Corporation

Council Members

James F. Abromaitis
Commissioner
Department of Economic and Community Development

Philip E. Austin, Ph.D.
President
University of Connecticut

Barry Averill
President
Health Net Inc.

Thomas O. Barnes
Chairman of the Board
Barnes Group, Inc.

Wallace Barnes
Chairman
Connecticut Employment & Training Commission

Leonard Bell, M.D.
President & CEO
Alexion Pharmaceuticals

Barry H. Berman
President
CRN International

William A. Blase, Jr.
President & CEO
Southern New England Telephone Company

Richard H. Booth
President & CEO
Hartford Steamboiler Inspection and Insurance Company

Christopher P. Bruhl
President & CEO
Southwestern Area Commerce & Industry Association (SACIA)

Catherine C. Candland
President & CEO
Advantage Staffing Services, L.P.

Shaun Cashman
Commissioner
Department of Labor

William J. Cibes
Chancellor
Connecticut State University

Kenton Clarke
President
Computer Consulting Associates

Philip D. Cusano
President & CEO
Stamford Health Systems

Daniel D. Dechamps
President & CEO
New England Aerospace, LLC

Kenneth O. Decko
President & CEO
Connecticut Business & Industry Association (CBIA)

Louis C. DeLuca
Senator
Senate Minority Leader
32nd District

Lawrence J. DeNardis, Ph.D.
President
University of New Haven

Anthony J. DeMaria
Chairman & CEO
DeMaria Electro-Optics Systems

David D'Eramo, Ph.D.
President & CEO
Saint Francis Hospital and Medical Center

Arthur H. Diedrick
Chairman of Development
Connecticut Development Authority

Peter M. Donovan
President & CEO
Wright Investors' Service

Marjorie W. Dorr
President
Anthem Blue Cross & Blue Shield East

Robert W. Fiondella
Chairman, President & CEO
Phoenix Home Life Mutual Insurance Company

GOVERNOR'S COUNCIL ON ECONOMIC COMPETITIVENESS AND TECHNOLOGY

Emil H. Frankel, Esq.
Counsel
Day, Berry & Howard

Claire L. Gaudiani, Ph.D.
President of Board of Directors
New London Development
Corporation

R. Nelson Griebel
President & CEO
MetroHartford Regional
Economic Alliance

Janice M. Gruendel, Ph.D.
Executive Director
Connecticut Voices for Children

Mary Ann Hanley
Governor's Policy Advisor
Office for Workforce
Competitiveness

Mickey E. Herbert
President & CEO
Bridgeport Bluefish

Louis Hernandez, Jr.
Chairman & CEO
Open Solutions Inc.

Marc S. Herzog
Chancellor
Board of Trustees of Community-
Technical Colleges

Chandler J. Howard
President
Fleet Bank, N.A.

Gregory B. Howey
President
OKAY Industries

George C. Jepsen
Senator
Senate Majority Leader
27th District

William J. Kaufmann
Chairman & CEO
Connecticut Economic Resource
Center (CERC)

John A. Klein
Chairman, President & CEO
People's Bank

Karl J. Krapek
President & COO
United Technologies Corporation

James P. Laurito
President & COO
Connecticut Natural Gas/
Southern Connecticut Gas

Marvin Lender
Vice Chairman
M&M Investments, LLC

Richard C. Levin, Ph.D.
President
Yale University

Valerie F. Lewis
Commissioner
Department of Higher Education

Frederick L. Luedke
President
NEOPERL, Inc.

Moira K. Lyons
Representative
Speaker of the House
146th District

Lawrence McHugh
Vice Chairman
Connecticut Tourism Council

Thomas J. McInerney
General Manager & CEO
ING Aetna Financial Services

E. Phillip McKain
President
CTE, Inc.

John Meehan
President
Hartford Hospital

Michael P. Meotti
Chairman
Connecticut Policy and Economic
Council

George M. Milne, Jr., Ph.D.
President
Pfizer, Inc. – Central Research
Division

Peter Mueller, Ph.D.
Senior Vice President, R&D
Boehringer Ingelheim
Pharmaceuticals, Inc.

Howard Odom
President
Ortronics

Harry H. Penner
President & CEO
Neurogen, Inc.

David B. Pudlin
Representative
House Majority Leader
24th District

Elaine A. Pullen
Interim President
Connecticut Technology Council

William G. Rice, Ph.D.
President & CEO
Achillion Pharmaceuticals, Inc.

Douglas B. Rose
President
Aero Gear

Marc S. Ryan
Secretary
Office of Policy and Management

Raynor M. Seeley, Jr.
President & CEO
PTA Corporation

Theodore S. Sergi, Ph.D.
Commissioner
Department of Education

Kevin B. Sullivan
Senator
Senate President Pro Tempore
5th District

George J. Taylor, Jr.
Chairman & CEO
Farmstead Telephone Group, Inc.

Robert M. Ward
Representative
House Minority Leader
86th District

Elaine Wedral, Ph. D.
President
Nestle R&D Center Inc.

Allen Weintraub
Chairman (ret.)
Advest Group Inc.

Janis M. Wertz, Ed.D.
President
Housatonic Community College

Nathaniel D. Woodson
Chairman, President & CEO
UIL Holdings Corporation



Department of Economic and
Community Development

505 Hudson Street

Hartford, CT 06106

tel: 860-270-8004, fax: 860-270-8055

www.decd.org

e-mail: ginne.legree@po.state.ct